

DHMH POLICY

<http://www.dhmh.state.md.us/policies/inpolm.htm>

OPERATIONS-GENERAL SERVICES ADMINISTRATION

DHMH POLICY 02.03.02

Effective date November 15, 2003

SPACE RENTAL (LEASES)

I. EXECUTIVE SUMMARY

The laws and regulations of Maryland State Government assign the responsibility for procurement of rental property for most State agencies to the Department of General Services. This policy establishes how DHMH units may obtain rental space through the DGS Office of Real Estate. The authority for the rental / lease functions are specified and the roles and responsibilities of the units and individuals are defined. The Director, General Services Administration, is the DHMH Secretary's representative in all lease matters. The DHMH Lease Coordinator is designated as the liaison between DHMH units and the DGS Lease Management and Procurement Division. Supplemental to this policy, DHMH Procedure 02.03.02.P1 provides specific instructions to DHMH employees for the space leasing process.

II. BACKGROUND

This policy supersedes the April 6, 1998 version of DHMH Policy 02.03.02 Policy for the Acquiring of Rental Space (Leases). This version incorporates updated versions of regulations, forms, and The Space Management Manual from DGS and provides direct links to references, when available. This version also reflects a shift of responsibility for leases within DHMH from the Central Service Division to the DHMH Lease Coordinator who is designated by the Director, GSA. This policy also incorporates the State's standard word processing application, standard DHMH policy format, and reorganization.

III. POLICY STATEMENTS

A. DEFINITIONS

1. The definitions listed in the DGS Space Management Manual as updated from time to time, are hereby incorporated by reference as part of this policy.

Department of Health & Mental Hygiene

Office of Regulation and Policy Coordination - Policy Administrator

201 West Preston Street - Room 503A - Baltimore Maryland 21201-2301

Phone 410 767-5934 FAX 410 333-7304

2. In this policy, an **"authorized requesting official" (ARO)** is a designated manager at the Administration level who is authorized to request rental space and approve leases. The director of an administration, the chief executive officer or chief administrative (operations) officer of a facility, the business manager of a program, and the health officer of a local health department are designated to be **"authorized requesting officials"** for the purpose of this policy.

3. The **"requesting unit"**, for the purpose of this policy, is an administration, facility, or equivalent level unit of DHMH that requires additional space for one or more of its functions to operate effectively and efficiently. The **"authorized requesting official"** is to coordinate space needs and lease approvals with the relevant component units.

B. APPLICABILITY

This policy applies to all DHMH administrations, programs, offices, boards, commissions, facilities, regional offices, and laboratories. Local Health Departments may use the State procurement process to obtain rental space, in which case this policy applies, however, if approved by the local government, rental space for LHD's may be obtained through the county / municipal procurement system. Funds for LHD space rental must be certified to the Lease Coordinator by the relevant funding source.

C. AUTHORITY

1. The Annotated Code of Maryland, State Finance and Procurement Article, authorizes the Secretary of DGS to be responsible for purchasing and leasing real property for most State Government agencies.

2. COMAR 21.02.05, Leasing Real Property, requires that leasing of real property shall be in accordance with the Department's (DGS) Space Management Manual which identifies the responsibilities of using agencies and the procedures of the lease acquisition process.

3. COMAR 21.02.05.01 authorizes the Secretary, DGS, to manage the leasing by the State of all real property to which the State does not have title. <http://www.dsd.state.md.us/comar/21/21.02.05.01.htm> These responsibilities include:

- a. selection of locations;
- b. negotiating rental rates;
- c. finalizing lease agreements;
- d. publishing standards and criteria for office space use;
- e. assigning leased space.

4. The Secretary, DGS has delegated authority to the Lease Management and Procurement Division (LMPD) for bidding and negotiating leases for rental space requested by most State units. The LMPD, using information supplied by the "requesting unit", advertises for or otherwise secures bids for the rental space requested.

5. The Secretary, DGS may authorize a using agency to lease space on an emergency basis.

6 The Secretary, DHMH, has designated the Director, General Services Administration, as the Department's representative in all matters dealing with the leasing or renting of space.

7. The Director, GSA shall designate a DHMH Lease Coordinator to be the sole liaison and coordinator for space rental between DHMH components and the Lease Management and Procurement Division of DGS.

D. ROLES AND RESPONSIBILITIES

1. All space rental and leasing transactions are to be performed in accordance with the DGS Space Management Manual, this policy, and the accompanying procedure DHMH 02.03.02.P1.

2. When additional space for a unit's operations is needed and must be rented, the unit's "authorized requesting official" shall sign and submit a Request for Space form (DGS 680-1 series) to the DHMH Lease Coordinator in GSA.
<http://www.dhmh.state.md.us/forms/download/space/680-1.pdf>

3. The DHMH Lease Coordinator shall be the liaison between the units of the Department who are requesting rental space and DGS. The Lease Coordinator shall also monitor the flow of paperwork within the Department and to DGS, and is the custodian of the official files pertaining to space rental.

4. The DHMH Lease Coordinator shall forward approved request forms (DGS 680-1 series) for rental space from authorized requesting officials to GSA's Lease Management and Procurement Division, and shall be responsible for tracking and coordinating the flow of subsequent paperwork.

5. The initiating unit's "authorized requesting official" must approve all leases prior to signing by DHMH.

6 Prior to the signing of the lease, the Director of the Budget Management Office (BMO) or designee shall certify the availability of funds. In the case of leases for Local Health Departments, the relevant funding source will certify the availability of funds.

7. The Secretary, DHMH or designee shall sign all leases for the Department.

8. DGS conducts inspections of leased properties to ensure that landlords and agencies are complying with lease terms. DGS will step in to enforce the lease should resolution at the facility level prove difficult.

E. REQUIREMENTS

1. Requests for new rental space or for renewals of currently occupied rental space shall be submitted on form DGS 680-1 as outlined in this policy, and signed by the unit's "authorized requesting official".
<http://www.dhmh.state.md.us/forms/download/space/680-1.pdf>

2. When offers are received, LMPD will transmit a copy of each offer to the DHMH Lease Coordinator, who, in turn, shall transmit a copy of the offer to the authorized requesting official. The authorized requesting official with the requesting unit shall rank each offer and provide the rankings to LMPD through the Lease Coordinator. DGS, will then negotiate with all offerors. After receiving each bidder's "best and final offer," staff of LMPD will notify the Lease Coordinator upon an evaluation of the award. LMPD, DGS, has the exclusive authority to conduct negotiations.
3. The authorized requesting official in conjunction with the using unit shall review the lease prior to signing by the Secretary, DHMH or designee, and either approve or reject the lease as written.
4. The following information shall be included on Request for Space forms:
 - a. The geographic boundaries in which the requested space may be located. (The geographic boundaries should be as large as possible so that competitive bidding may be maximized.)
 - b. Any special needs that may be required, e.g., close to public transportation, close to a particular court house or other building;
 - c. A brief but thorough description of the intended use of the space.
 - d. A thorough description of any special conditions or requirements that may be needed.
 - e. The square footage required.
 - f. The desired length of the lease.
 - g. A statement as to availability of funds.
6. After a lease is drawn up and signed by the lessor, the lease is returned to DGS to obtain a statement of legal sufficiency from the Assistant Attorney General. The lease is not to be considered operational by DHMH staff until approved for "legal sufficiency" by the Assistant Attorney General and approved by the Board of Public Works. .
7. DGS is responsible for having the lease placed before the Board of Public Works for approval. The Board of Public Works, in turn, will have the approved lease and any approval letters sent to the Lessor and the Director, GSA who shall distribute them accordingly.
8. Officials requesting either new or renewal space via the rental-leasing process shall request space approximately fifteen (15) months ahead of the desired occupancy date if a new lease, or the mandated renewal date as stated in the lease. It is the responsibility of the using unit to initiate a request for needed rental space in a timely manner in accordance with this policy. If an expedited processing of the Request for Space Form is needed and justified, contact the Director, GSA , for assistance.

F. RESTRICTIONS

1. DHMH employees shall **NOT** contact DGS Lease Management and Procurement Division (LMPD) directly regarding needed rental space. All contact with DGS regarding needed rental space shall be through the Director, GSA or the DHMH Lease Coordinator.

2. Only staff of the LMPD are authorized to contact bidders during the bidding process. Neither employees of the requesting unit nor the DHMH Lease Coordinator shall contact any bidder, including the owner of an existing property under lease, during the bidding process.

IV. REFERENCES

- Annotated Code of Maryland, State Finance and Procurement Article Section 12-107b(3).
http://mlis.state.md.us/cgi-win/web_statutes.exe?gsf&12-107
- COMAR 21.02.05.01, State Procurement Regulations.
<http://www.dsd.state.md.us/comar/21/21.02.05.01.htm>
- Space Management Manual, Department of General Services.
<http://www.dgs.state.md.us> (URL pending).
- DHMH 02.03.02.P1 Procedure for Space Rental.
<http://www.dhmh.state.md.us/policies/p020302P1r.pdf>
- Blank Request for Proposal (RFP) for Lease (over 10,000 nuf).
<http://www.dgs.state.md.us/RealEstate/lease.pdf>
- DGS Request for Space DGS Form 680-1.
<http://www.dhmh.state.md.us/forms/download/space/680-1.pdf>
- DGS Form 680-1a Space and Personnel Present and Projected Requirements.
<http://www.dhmh.state.md.us/forms/download/space/680-1a.pdf>
- DGS Form 680-1b Space and Personnel Present and Projected Requirements (cont).
<http://www.dhmh.state.md.us/forms/download/space/680-1b.pdf>

APPROVED :

/s/ Signature on file

Nelson J Sabatini, Secretary

November 15, 2003
Effective Date